

## **Covid-19 early release of super extended to 31 December 2020**

11 September 2020

Pursuant to recent legislative amendments, individuals now have until 31 December 2020 (extended from 24 September) to access up to \$10,000 of their superannuation under the compassionate ground of release that was introduced in response to the Coronavirus in April this year.

By way of background, the Government had previously introduced a new compassionate ground of release allowing individuals to access their superannuation entitlements where those benefits are required to assist them to deal with the adverse economic effects of the Coronavirus, but only where one or more of the following requirements are satisfied:

- a. The individual is unemployed.
- b. The individual is eligible to receive the Jobseeker Payment, Youth Allowance for jobseekers, Parenting Payment (which includes the single and partnered payments), Special Benefit or Farm Household Allowance.
- c. On or after 1 January 2020:
  - the individual was made redundant; or
  - the individual's working hours were reduced by at least 20%; or
  - if the individual is a sole trader – their business was suspended or there was a reduction in the business's turnover of at least 20%.

Under this new compassionate ground of release, eligible individuals were able to access as a lump sum, up to \$10,000 of their superannuation entitlements between 20 April and 1 July 2020, and a further \$10,000 between 1 July 2020 and 24 September 2020, and these withdrawals are not taxable to the recipient.

Under the further recent legislative amendments, individuals who satisfy one or more of the above requirements now have until 31 December 2020 to access the second amount of \$10,000 referred to above.

Temporary residents were only entitled to make a single application for \$10,000 to be released during the 2019/20 financial year (i.e., by 30 June 2020), and so this extension is not relevant to temporary residents.

Eligible individuals who are looking to access their superannuation entitlements under the above new ground of release will be able to apply directly to the ATO through the myGov website (at [www.my.gov.au](http://www.my.gov.au)) and certify that the above eligibility criteria is satisfied. content

For further information, please contact us.